

**REQUEST FOR IMMEDIATE ACTION BY N.C. GENERAL ASSEMBLY  
FOR SURVIVAL OF RESTAURANT & LODGING INDUSTRY****FEDERAL CARES ACT – NC RESPONSE RECOMMENDATIONS**

- Create a State Hospitality Emergency Grant Program
  - Establish \$100 million fund dedicated to industry
  - One-time grants to be used for rent, payroll, utilities, vendor payments, job training, etc.
  - \$25,000 to smaller restaurants; \$50,000 to larger establishments and hotels
- Change NC Tax Code to Mirror Federal CARES Act
  - Delay payment of employer payroll taxes — half by Dec. 2021; half by Dec. 2022
  - Creation of employee retention tax credit — payroll tax credit = 50% of wages paid during Covid-19 crisis
  - Allow Net Operating Loss carrybacks
  - Qualified Improvement Property accelerated depreciation (QIP fix) – depreciate eligible renovations over 15 years rather than 39

**ADDITIONAL STATE RESPONSE RECOMMENDATIONS**

- 4-month deferment of state sales tax payments from North Carolina restaurants and hotels, with waiver of interest and penalties, retroactive to March 1, 2020
- Suspension of requirement that hotels and restaurants prepay 65% of estimated sales tax liability based on collections from same month in previous year
- 4-month deferment of state income taxes, with no interest and penalties on employer share of restaurant and hotel payroll tax, retroactive to March 1, 2020
- Authorize state payroll tax credit, similar to federal tax credit, for payment of leave mandated by Families First Act
- NCRLA supports the Unemployment Insurance legislation currently before the Subcommittee on Economic Support which is good for both hospitality workers and employers
- Allow establishments who can pay their employees during this interim period and not lay them off to be reimbursed from the N.C. Unemployment Trust Fund rather than unemployment being paid to the employees. This would be a method to put employees on a “stand-by status” to allow for quick reengagement instead of lay-offs.
- Prompt refund of overpayment of income taxes
- Reduce or delay payment of city and county property taxes on restaurants and hotels